**City of Pittsburg, CA**

**Measure P Oversight Committee Report**

**Proposed Use of 2016-17 Measure P Funds**

***Background of City of Pittsburg’s Financial Condition***

In 2012, the City faced decreasing revenues, including a 26 percent decrease in sales and property taxes since 2008, amounting to a loss of approximately $2.6 million annually. In addition, the costs to provide essential city services to residents continued to increase. The City had already reduced staff and consolidated City Departments to cut costs. The City had 275 full-time employees in 2008, and through early retirements and not filling vacant positions, the City reduced this number to 239 employees in 2011. In an attempt to further reduce costs, the fiscal year (“FY”) 2011-12 budget called for leaving four (4) police department positions vacant, eliminating the budget for police and maintenance employees at public events, closing the Buchanan Swim center, and eliminating 14 positions, including eight layoffs.

The City predicted that without an increase in revenues, the City would have a General Fund deficit in FY 2012-13 of approximately $2.7 million, which would have required the City to make additional cuts to City services including a reduction in Police Department services and closing the Senior Center. Faced with severe reductions in income to the General Fund, it would have been very difficult for the City Council to balance the City’s budget without cutting the Police Department’s budget.

To avoid reductions in vital City services, the City Council placed Measure P on the June 2012 ballot to temporarily increase the City’s sales tax. Pittsburg’s voters approved Measure P and the City began collecting the new sales tax beginning in October 2012.

***City of Pittsburg’s 2012 Sales Tax - Measure P***

June 2012 Ballot Language/Question – “To provide funding that stays in Pittsburg and cannot be seized by the State, to be used for Public Safety, gang prevention, job creation programs for local residents, to keep the Senior Center open, to maintain other City services, shall the City of Pittsburg enact a temporary, half-cent sales tax for five years, reduced to one-quarter cent for five years, then the increase be terminated, altogether, with citizen’s oversight committee, mandatory audits and consistent community reporting?”

To which 73.69% of Pittsburg’s voters said “yes”.

***Measure P Citizen’s Oversight Committee***

Measure P required the establishment of a Citizens Oversight Committee (“Committee”) charged with making recommendations to the City Council for the use of the Measure P tax revenue. The Committee is charged with:

1. Receiving information from City staff on the receipt of revenues and the expenditures of funds from Measure P,
2. Providing recommendations to the City Council on the future use of Measure P revenues,
3. Producing an annual report that records the results of its recommendations for expenditure of the revenue generated from the tax, and
4. Presenting this report to the City Council at a public meeting making it part of the public record.

On March 21, 2016, the City Council empaneled a five member Committee with two representatives from the Chamber of Commerce and three from among the current members of the City’s Community Advisory Commission (“CAC”). Committee Members must be a Pittsburg resident and registered voter. Members serve two-year terms.

The City Council appointed the following people to the Committee:

Nancy Hairsine - Chamber of Commerce Representative

Wolfgang Croskey - Chamber of Commerce Representative

Arthur Fountain - CAC Representative

Edward Borjon - CAC Representative

J. Faye Fields, CAC Representative

The Committee met two times to review the City’s proposed uses of Measure P funds. The following is a summary of the use and proposed uses and the Committee’s recommendations.

***Proposed Use of Measure P Funds - FY 2016-17***

As described in the ballot, the specific services noted are Public Safety, gang prevention, job creation and to keeping the Senior Center open. To adhere to the intent of Measure P, as part of the FY 2016-17 budget, staff proposed maintaining the existing percentages as the prior two years for the allocated for Measure P funds. Below is a table, which shows prior and projected revenues for Measure P as proposed:



At the April 29th, 2016 Committee meeting, City staff presented the following rationales for the proposed allocation:

Public Safety – While the Police Department comprises 58% of the City’s General Fund budget, staff recommends maintaining the 89% allocation of the Measure P proceeds to police services. This level of funding provides reassurance to the residents and businesses of Pittsburg, and reflects the City Council’s priority to fund Public Safety while keeping Pittsburg’s crime rates low. These levels of funding provide the Police Department the ability to;

1. Maintain current staffing levels,
2. Continue the work of the Narcotics Division,
3. Commit resources to identification and investigate of human trafficking,
4. Continue to use Community Service Specialists to provide support to Police Officers including handling bookings of arrestees,
5. Track illegal gun ownership, and
6. Continue the Violent Crime and Gang Suppression enforcement activities.

Senior Center – The proposed allocation of eight percent (8%) of Measure P revenues will provide 85.6% of the total operating budget for the Senior Center during this next fiscal year (FY 2016-17). Activity fees, rental income and donations cover the balance of the annual costs. Maintaining and operating the Senior Center was specifically identified in the original Measure P ballot language. This funding will maintain existing staffing levels providing similar activities and programing as previously provided at the Senior Center.

Economic Development – The proposed allocation of three percent (3%) of Measure P revenues to economic development provides the ability to fund the Future Build job training program, provide free wireless in downtown Pittsburg, provide permit fee waivers to reduce blighted properties, and to fund the staffing of business attraction and retention activities throughout the City.

***Measure P Oversight Committee Recommendations***

The Committee reviewed City staff’s proposed uses of Measure P funds in FY 2016-17 and concludes that such uses are consistent with Measure P’s goals. The City will primarily use the funds to support Public Safety services as well as keep the Senior Center open and fund a job creation program that minimizes the costs to the City while creating more jobs.

At the April 14, 2015 and again at the April 29 2016 Measure P Oversight Committee meeting, the Committee members expressed concern about the future funding of the above programs currently funded through the Measure P revenues. With the future reduction of Measure P revenues, currently set to reduce from the current half-cent rate to a quarter-cent in FY 2017-18 and then expiring in FY 2022-23, the committee members remain concerned that the funding will not be available to keep service levels the same.

The Committee members have seen and believe that the additional funding provided by Measure P will continue to have positive long-lasting impacts to the residents and business community to the City while supporting Public Safety services, keeping the Senior Center open, providing job training programs and attracting new business to Pittsburg.

The committee also fully supports and encourages the residents of Pittsburg to vote for and pass the upcoming Measure M – Sales Tax Extension through fiscal year 2034-35. By supporting Measure M, residents will provide a local revenue source, to support local programs such as Public Safety, Senior Center operations, Economic Development, Youth Programming, services for victims of domestic violence and sexual abuse, and Pavement and Street maintenance.